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**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY**

In re:

BLOCKFI INC., *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 22-19361 (MBK)

(Jointly Administered)

**DECLARATION OF MARK RENZI IN SUPPORT OF DEBTORS' MOTION TO  
ESTIMATE THE AMOUNT OF THE FTX CLAIMS AGAINST THE DEBTORS  
PURSUANT TO SECTIONS 105(a) AND 502(c) OF THE BANKRUPTCY CODE**

I, Mark Renzi, pursuant to 28 U.S.C. § 1746, declare:

1. My name is Mark Renzi. I am over the age of 21. I am a Managing Director and the Head of the Corporate Finance Financial Institutions Group for Berkeley Research Group, LLC (“BRG”). I am also the Chief Restructuring Officer for the debtors and debtors in possession in

<sup>1</sup> The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number, are: BlockFi Inc. (0015); BlockFi Trading LLC (2487); BlockFi Lending LLC (5017); BlockFi Wallet LLC (3231); BlockFi Ventures LLC (9937); BlockFi International Ltd. (N/A); BlockFi Investment Products LLC (2422); BlockFi Services, Inc. (5965) and BlockFi Lending II LLC (0154). The location of the Debtors' service address is 100 Horizon Center Blvd., 1st and 2nd Floors, Hamilton, NJ 08691.

the above-captioned Chapter 11 Cases (collectively, “BlockFi” or the “Debtors”). Accordingly, I am in all respects competent to make this Declaration (the “Declaration”).

2. Except as otherwise indicated herein, the facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents, information provided to me by the professionals in these Chapter 11 Cases and/or employees working under my supervision, or my opinion based upon my experience, knowledge, and information concerning the Debtors’ operations. I am authorized to submit this Declaration on the Debtors’ behalf. If called upon to testify, I would testify competently to the facts set forth in this Declaration.

### **The FTX Estimation Motion**

3. Contemporaneously with this Declaration, the *Debtors filed Debtors’ Motion to Estimate the Amount of the FTX Claims Against the Debtors Pursuant to Sections 105(a) and 502(c) of the Bankruptcy Code* (the “FTX Estimation Motion”).<sup>2</sup> Through the FTX Estimation Motion, the Debtors request the Court estimate the FTX Claims in the amount of \$0.00 for distribution purposes.

#### **A. The FTX Claims**

4. I have reviewed the FTX Claims filed in these Chapter 11 Cases. Four FTX debtor entities, including Alameda Research Ltd. (“Alameda”), FTX Trading Ltd. (“FTX Trading”), West Realm Shires Inc. (“West Realm”), and West Realm Shires Services Inc. (“WRSS”), filed thirty-six (36) duplicate proofs of claim (the “FTX Proofs of Claim”) against all nine BlockFi debtors on behalf of all 102 FTX debtors (collectively, “FTX”) and Emergent. FTX attached to each FTX Proof of Claim an identical, five-page addendum (the “FTX Addendum”) stating its claims

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<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the FTX Estimation Motion.

(collectively, the “FTX Claims”). The FTX Addendum is the only evidence FTX submitted in support of the FTX Claims, which include (i) the FTX Facility Claims, (ii) the FTX Avoidable Transfer Claims, and (iii) the Alameda Claims.

5. Based on my review of BlockFi’s books and records, BlockFi does not owe any of the FTX Debtors any amount of fiat currency or digital assets; rather, FTX owes BlockFi hundreds of millions of dollars.

**B. The FTX Claims Should be Estimated at \$0.00**

6. Under the facts and circumstances of these Chapter 11 Cases, estimation is necessary to prevent undue delay of distributions to BlockFi creditors. BlockFi obtained conditional approval of the amended Disclosure Statement and will soon begin soliciting votes. Although subject to change, the following chart represents the current confirmation timeline, with a proposed combined Disclosure Statement and Plan confirmation hearing on September 26, 2023:

Entry of Conditional DS Order	<b>August 2</b>
Publication Deadline (5 business days after entry of order)	<b>August 9</b>
Proposed Solicitation Deadline	<b>August 12</b>
Plan Supplement Filing Deadline (7 days before Voting Deadline)	<b>September 4</b>
Proposed Confirmation Objection Deadline/Voting Deadline	<b>September 11 at 4:00 PM</b>
Voting Report Deadline/ Confirmation Reply Deadline	<b>September 25 at 5:00 PM</b>
Final DS/Confirmation Hearing	<b>September 26 at 1:00 PM</b>

7. This timeline is designed to move these Chapter 11 Cases forward to confirmation, followed as quickly as possible by initial distributions on Allowed claims. Based on my review of the FTX Claims, FTX has asserted entirely contingent, unsubstantiated, and/or subordinated claims that should be estimated at \$0.00.

8. FTX asserted approximately \$5 billion of unsubstantiated claims against BlockFi, attaching just a single, five-page summary in support. Based on my review, the FTX Claims are uniformly based on FTX's unreliable books and records as well as contingencies that must be resolved through litigation. FTX has yet to seek relief from the stay or commence such litigation, let alone prosecute the FTX claims to the point where they could be meaningfully liquidated. Estimation at \$0.00 for these contingent, unsubstantiated FTX Claims will permit distributions to creditors in a timely manner and without (i) requiring parties-in-interest to await the outcome of some potential, uncertain litigation which is highly unlikely to result in FTX having any liquidated claims against BlockFi and (ii) making creditors with legitimate claims suffer the value destruction that would result from a significant delay prior to distributions.

I hereby declare under the penalty of perjury that the foregoing is true and correct.

Executed on August 11, 2023

By: /s/ Mark Renzi  
Mark Renzi  
CRO of the Debtors